

Acknowledgment of Rights

I, Oswin Fischbach, executive of Deltex Mills Inc. 25 Corporate Drive Wayne, New Jersey, 07470, declare that Malibu Textiles Inc. (Malibu) is the owner of the copyright for Style 1967 for the following reasons.

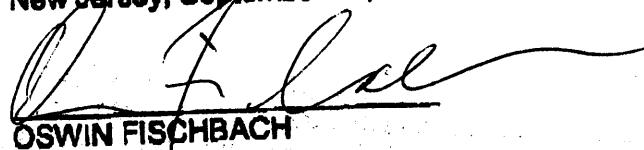
In 1998 Ralph Mueller and I were partners in Linfalls Knitting Mills Ltd. (Linfalls) located at 441 Clifton Boulevard, Clinton, N.J. 07013. Malibu was a customer of Linfalls and of Paris Lace Ltd. (Paris Lace). Malibu bought "grey goods" from Paris Lace and Linfalls. "Grey goods" in the lace industry are goods which have a design but no color. Malibu dyes and sells the goods to clothing manufacturers.

As regards Style 1967, in 1998 Malibu approached Paris Lace to obtain a floral pattern. Because of the intricacy of the pattern, Paris Lace sub-contracted Linfalls to obtain and knit the design. Ralph Mueller and/or I contacted Jolanda Kramm, an independent designer living in Brazil, and asked her to submit sketches on the basis that if Malibu accepted her design, she would transfer her rights of copyright in the design to Malibu and she would receive payment for the design.

Malibu approved the sketch for Style 1967 in 1998 and Jolanda was commissioned to prepare a "draft". A "draft" is the technical paper work on how to construct the pattern on a knitting machine. Jolanda was paid by Linfalls, who was reimbursed by Paris Lace. Malibu does not typically directly pay the supplier or the author for the design even though it receives copyright. As a matter of business practice, knitting mills absorb the cost of the design as a way of selling product. Linfalls and Paris Lace obtained copyright in the Style 1967 for Malibu.

Linfalls did the initial knitting as Paris Lace did not have the necessary knitting equipment. Because Linfalls was the original knitter, it took charge of obtaining the draft and sketch.

New Jersey, September 20, 2005


OSWIN FISCHBACH